

HOUSE BILL 38

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Q3  
HB 14/02 - W&M

2003 Regular Session  
3lr0474

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By: **Delegate Cryor**

Introduced and read first time: January 17, 2003

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax - Subtraction Modification - Military Compensation**

3 FOR the purpose of altering the subtraction modification under the Maryland State  
4 income tax for certain military compensation paid or incurred under certain  
5 circumstances; providing for the application of this Act; and generally relating to  
6 taxation of certain military compensation.

7 BY repealing and reenacting, without amendments,  
8 Article - Tax - General  
9 Section 10-207(a)  
10 Annotated Code of Maryland  
11 (1997 Replacement Volume and 2002 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article - Tax - General  
14 Section 10-207(p)  
15 Annotated Code of Maryland  
16 (1997 Replacement Volume and 2002 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - Tax - General**

20 10-207.

21 (a) To the extent included in federal adjusted gross income, the amounts under  
22 this section are subtracted from the federal adjusted gross income of a resident to  
23 determine Maryland adjusted gross income.

24 (p) (1) The subtraction under subsection (a) of this section includes the first  
25 \$15,000 of military pay that is[

26 (i)] received by an individual who is in active service of any branch  
27 of the armed forces[; and

1 (ii) attributable to military service of the individual outside the  
2 United States].

3 (2) The amount of the subtraction under paragraph (1) of this subsection:

4 (i) is reduced dollar for dollar in the amount by which military pay  
5 received by the individual exceeds \$15,000; and

6 (ii) is reduced to zero if the amount of military pay received by the  
7 individual exceeds \$30,000.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 July 1, 2003 and shall be applicable to all taxable years beginning after December 31,  
10 2002.